

PD-ACC-737

MALI  
CDSS Issues for FY 1990 - 1994

BEST AVAILABLE

## FY 1990-1994 Mali CDSS Issues

### I. BACKGROUND:

USAID/Mali's proposed strategy for FY 90-94 reflects a strengthened commitment to helping the country implement its program of structural adjustment. It also continues substantial consolidation and restructuring of the Mission's portfolio.

The strategy addresses the problems of inadequate growth, hunger, and health deficiencies through bilateral activities. It relies primarily on centrally funded programs for supportive education and training.

While continuing an active policy dialogue aimed at improved resource allocation within the economy (reducing the role and enhancing the efficiency of government, promoting growth in the ag. sector through technology development and improved health), the Mission plans a large increase in the proportion of resources devoted to health, nutrition, and population activities. It foresees growing attention to private sector and employment issues during the program period. The role of women is highlighted.

The CDSS is extremely well-written and clearly presented. The attention paid to formulating indicators of performance at the goal, purpose, and sector levels is particularly commendable although some concerns are raised below.

Based on relatively good policy performance and need, Mali has been selected as one of the Bureau's ten primary emphasis countries for implementation of the President's Hunger Initiative and is due for an increase in OYB in FY 90.

### II. ISSUES:

Issue 1: Whether the Mission can manage and implement its proposed strategy and program faced as it is with (1) a decrease of 2 direct hire positions; (2) a reduction in operating expenses from a level of \$2.8 million in FY88 to \$2.650 million in FY89; and (3) a probable increase of DFA funds of \$5 to \$7 million per year above CDSS planning levels.

Discussion: USAID/Mali clearly is going to have to manage more program funds with fewer human resources and lower OE funding. OE levels are not expected to change from the figures cited above, nor do we anticipate any late fiscal year fall-out. Concerning increased DFA levels, the ECPR needs to come to some understanding with the Mission how additional resources might

be allocated. Will new activities have to be designed, or can existing (and planned) ones such as agriculture research, IFAHS, and economic policy reform absorb the increase? Will the decrease in staff require the Mission to retrench from proposed new areas such as private sector development? Does the Mission foresee any change of emphasis between project and non-project assistance? Is an "easy" solution to fund the proposed EPRP II out of the OYB?

Recommendation: The questions above must be explored in depth and agreement reached on Mission priorities for the CDSS period.

Issue 2: Sector Strategies

2(a) Agriculture: Whether the Mission's proposal to make a long-term commitment of its resources to agriculture research of 20 to 25 years is essential to achievement of its goal of developing a self-sustaining national agricultural research system; or whether the Mission should consider alternative goals in agriculture such as promotion of more non-food or export crops?

Discussion: Support of adaptive agriculture research is a key element of USAID/M's strategy to improve the performance of the agriculture sector. Sorghum and millet crop improvement, animal nutrition and forage production research, and disease and pest control research are central to the program. Developing and equipping national research stations, training staff and devising the means to finance recurrent costs are also key elements. Because of the key role agriculture research plays in assuring the future growth and success of the sector, the Mission believes that a long-term commitment to agriculture research of 20 to 25 years is the minimal acceptable planning period we should plan on.

The Mission does not propose modifying its agriculture strategy such as giving more emphasis to non-food or export crops, or moving into other areas. Should other alternatives be considered, or should the ECPR endorse concentration on agriculture research as proposed?

Recommendation: That the ECPR endorse the Mission's proposal to make a long-term and sustained commitment to agriculture research in Mali.

2(b) Health: Whether the array of health interventions proposed and the amount of resources assigned them are likely to achieve the benchmarks for progress established (pg. 3, annex 1), and whether the interventions are so linked as to constitute a strategy contributing to the strategic objectives of the Mission.

Discussion: The health strategy focuses on child survival, women's health, family planning and nutrition assistance activities to contribute to the well-being, productivity and food security of the majority of Malians. Activities will cover management assistance in the Ministry of Health, immunization in collaboration with UN Agencies and PVOs; oral rehydration therapy assistance in malaria research, expansion of family planning services, AIDS assistance, strengthening of the Nutrition Service and nutrition research, and finally PL-480 Title II feeding. \$2 to \$4 million per year of project funding will be assigned to the health sector. Does the strategy proposed for health sector interventions seem likely to achieve the benchmarks set by the Mission when considering the amount of resources being assigned to health? Should we perhaps be concentrating our resources more on what we do best, such as family planning, leaving to other donors the remaining health interventions? Are our proposed activities part of a national program or a service delivery system? Is our program becoming management intensive?

Recommendation: The Mission's strategy in the health sector be endorsed; however, the Action Plan for FY 1990-91 should include a discussion outlining more clearly USAID's role in the health sector, other donors' roles, and priorities assigned by USAID to the activities it proposes taking on.

2(c) Education: Whether USAID should become more involved in education sector reforms being supported by the World Bank through provision of local currency support or even dollar funded program assistance in concert with the Bank.

Discussion: The CDSS states that 40.8 percent of the Malian education budget is allocated to the primary education sector and that the World Bank is currently implementing a third and fourth education sector loan totalling \$38 million. As A.I.D. is concerned with macro-economic adjustment and effective leveraging of limited donor funds, the Mission should be more explicit in its discription of educational reforms being implemented and how those reforms do or do not reflect A.I.D. policy objectives for the sector. National expenditures on education represent 37.2 percent of total government expenditures. Thus the education sector presents an opportunity for direct reform of a major

economic sector having macro-economic implications. The mission should review its options for support of the education sector, in particular possible support of Bank activities through the use of local currency if the reform objectives are found to be in agreement with Mission priorities. Dollar funded program support for the education sector might even be a consideration.

Recommendation: Include in the Country Training Strategy a discussion of educational reform in Mali, its macro-economic implications, and possible options for local currency or dollar support for World Bank programs in primary education.

### Issue 3: Cereals Market Liberalization

Whether the Mission's objectives and agenda for cereals market liberalization are well served by its continued participation in the PRMC activity and by use of food aid as a funding mechanism.

Discussion: During the 1987 Program Week the Mission was asked to explore this issue and advise the Bureau. There appears to be evidence that price policy changes in the cereals sector have not had much impact on increasing production although developments on the marketing side (legalization of private trade) are more positive. How far have we come in cereals market liberalization, and how far is left to go? What has been the budgetary impact of improvements in OPAM operations? Is continued participation in the multi-donor scheme the best way to promote AID's agenda of increasing private sector opportunities? Is program food aid (Section 206) the best funding mechanism, particularly since food imports are not needed in years of good harvest? What are the alternatives? How is the proposed \$7 million level broken down between food and cash support? Are there alternatives to rice as the 206 commodity?

Recommendation: Request clarification from Mission, discuss, agree on priorities and best way to carry them out.

### Issue 4: Local Currency

The CDSS does not lay out an explicit strategy for using local currency from dollar and food funded programs. There appear to be three major uses currently: Voluntary early departures and other EPRP activities, OPAM/cereals program support, and DHV credit. Does the Mission plan to continue these activities during the program period? If new non-project activities were implemented (see Issue 1), how would the local currency be used. What are the Mission's priorities?

Recommendation: Mission should lay out alternatives. ECPR should reach agreement on priorities.

### III. CONCERNS:

#### Concern 1: Evaluation

Whether there is adequate linkage between the Benchmarks and the Goals in the CDSS and whether certain factors are adequately reflected.

Discussion: Generally Mission is to be commended on their fine use of data throughout the CDSS. It is clear that considerable effort went into the development of the benchmark and goal analysis. One concern is the apparent gap between the benchmarks and the "Mali Projected Value, 1990-94 av." goal-level indicators, particularly in the areas of Hunger and Health. These goals appear quite ambitious but the the scale of the Benchmarks doesn't necessarily correspond.

In addition, several factors mentioned specifically in the CDSS guidance were not well reflected in the monitoring and evaluation sections. For example, although Mission discusses gender issues in the CDSS analysis, there is no indication of data disaggregation by gender. Similarly, private sector progress might be inferred from an analysis of the economic growth indicators, but a more direct goal-level indicator might better represent this important dimension of the Mission's program.

During the review session, the Mission should clarify the relationship between benchmarks and goals, particularly the extent to which other donor programs are a factor in goal achievement. As appropriate, goals or benchmarks should be revised for the FY 1989 Action Plan.

#### Concern 2: Famine/Disaster Preparedness

The cycle of recurrent natural disasters is the reality in Mali as in the rest of the Sahel/Sudano region, and is recognized by the Mission (page 14). The ECPR should consider how both the Bureau and the Missions should address the question of how we can be prepared to cope with disasters through development of contingency plans, earmaking of emergency funds, joint planning with the host government and other donors, etc.

#### Concern 3: Natural Resources Management

Mali is a priority country within the Bureau's plan for Natural Resources. The natural resources assessment has recently been completed, and based on this report the Mission is planning to refine its strategy for this sub-sector. The topic should be addressed in the next Action Plan.

Concern 4: Women in Development

Although the Mission identifies women as the subject of special focus within the primary target group of rural farm families, women receive little mention elsewhere in the CDSS. The monitoring and evaluation section does not disaggregate impact indicators by gender or discuss the Mission's plan for tracking the gender of beneficiaries. Although an ICRW/CID consultancy was provided the Mission to help with the development of such topics for presentation in the CDSS, little input from that assistance is evident.

Recommendation: The Mission should submit to AID/W a brief statement which explains: (1) how each of the problem-specific strategies will address the participation of women; and (2) the Mission's plan for tracking program impact on a gender-disaggregated basis.

Clearance:

AFR/DP/PPE:ESimmons(draft)  
AFR/DP/PAB:TBethune\_\_\_\_\_  
AFR/TR:KSherper(subs)  
AFR/TR/PRO:CDutto(draft)  
AFR/PD/SWAP:CReintsma(draft)  
AFR/SWA:RSimmons(draft)  
AFR/SWA:LWerlin(draft)  
AFR/EMS:CMcGraw(draft)  
PPC/PB:LMarshall(draft)

AFR/DP/PPE:RHynes:AFR/DP/PAR:CCCowey:5/4/88:2234g